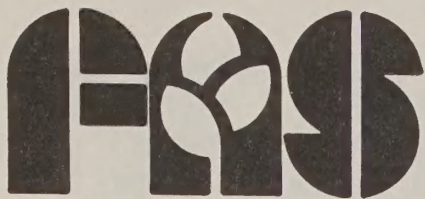


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**REPORT**

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

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WASHINGTON, Nov. 24--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

Approximately 20 percent of CANADA's record 1982 wheat crop--or almost 5 million tons--will grade as feed quality wheat, according to recent surveys. This is well above the long-term average of about 10 percent. The large quantity of feed quality wheat is likely to reduce potential earnings in the wheat pool this season and may dampen demand and prices for Canadian barley, but it is not expected to curb wheat exports.

With a record wheat crop this season, an estimated 18 million tons of spring wheat graded above feed quality. In addition, about 95 percent of the 8 million tons of stocks left at the end of the 1981 season are No. 1 and No. 2 Canadian Western Red Spring. Therefore, total supplies are more than adequate to meet domestic and export needs.

Much of the feed wheat moves into the domestic feed market and many of Canada's large customers, such as China and Brazil, have bought significant quantities of No. 3 CWRS in past years. Plentiful supplies of No. 1 and No. 2 CWRS provide blending flexibility to absorb part of the record quantity of available feed wheat to export as No. 3 quality. Canadian wheat exports in the 1982/83 season are still expected to reach a record of 19.5 million tons, almost 1 million above last year's level.

The USSR purchased an additional 0.5 million tons of U.S. corn recently, bringing total corn purchases under the seventh year of the U.S.-USSR grain agreement to 2.95 million. To date, the Soviet Union has not bought any U.S. wheat; however, a Soviet wheat quality team now is traveling in the United States investigating the question of U.S. wheat quality and mycotoxins.

INDIA's 1982/83 wheat crop is now estimated at a record 37.8 million tons, roughly 3 percent above the previous high last year of 36.5 million tons, according to the agricultural counselor in New Delhi. Heavy rains during March-May delayed harvest and reduced quality more and yields less than earlier expected.

LYNN KRAWCZYK, Editor, Tel. (202) 382-9442. Additional copies may be obtained from FAS Information Services Staff, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.

AUSTRALIA's guaranteed minimum delivery price (GMDP) for 1982 crop wheat is down 23 percent from the 1981 level to \$A141.32 per ton. The decline was partly due to the lower estimated average export price for the 1982/83 season, and partly the result of the low prices prevalent earlier this season. However, because of the relative weakness of the Australian dollar versus the U.S. dollar, the 1982 Australian GMDP actually represents approximately \$US150.53 compared with the 1981 level of \$US149.18.

AUSTRALIA reportedly has bought about 9,500 tons of corn from New Zealand, 8,000 tons of rye from Canada and about 20,000 tons of soybean meal from the United States in recent weeks. No further import decisions are expected from the Australians until January or February. Australia's sorghum crop begins to come on line in February/March and prospects for the current sorghum crop are likely to heavily influence any grain importing decisions. Any further significant purchases of grains are likely to come from North America.

Australia imposes strict quarantine requirements for most imported grains--although exceptions are made for New Zealand's corn. Quarantine authorities reportedly have blocked imports of sorghum because of strong opposition from some States. No quarantine restrictions are imposed by Australia on rye imports, which are running above the usual imports for human consumption and may increase further given its substitutability for malting barley.

OILSEEDS AND PRODUCTS

In DENMARK, an Indian company reportedly intends to invest about \$4 million in a new rapeseed crushing plant pending receipt of regional development funds. The plant, projected for completion in the fall of 1983, will have an annual crushing capacity of 60,000 to 90,000 million tons of rapeseed. Sources say that the plant will only press the seeds and sell crude oil to refineries in Hamburg and the Netherlands while selling the rape expeller to Danish feed compounders. When added to their recently completed existing facility, the Danes will have the ability to crush 150,000-200,000 million tons, or about 40-55 percent of 1982 Danish rapeseed production.

DAIRY, LIVESTOCK AND POULTRY

JAPAN has announced beef import quotas totaling 65,000 tons for the second half of its 1982 fiscal year (April-March). The 6,200-ton increase over last year's second half is allocated to the general quota, with all other quotas remaining the same. Japan has expanded its beef import quotas for the entire fiscal year from 126,800 tons in 1981 to 135,000 tons in 1982 in order to meet a commitment with Australia under the Multilateral Trade Negotiations.

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WORLD meat production (red meat plus poultry) in 1982 is expected to total about the same as 1981 since weak economic growth is preventing any generalized recovery in producer prices. Forecasts for 1983 indicate that continued softness in market prices will keep red meat production below the 1982 level. Poultry meat production is expected to continue to expand in 1983 but the rate of expansion is forecast to be below the average of recent years.

Cattle numbers at the start of 1983 are expected to be down about 2.5 million head as increases for several smaller producers fail to compensate for the drought-induced cutbacks in Australia and Mexico.

Hog numbers at the start of 1983 will be down about 10 million head as most major producing countries are reducing their herds.

Projected world meat production in 1983, with comparisons for 1981 and 1982, is as follows in million tons:

	1981	1982	1983
Beef and Veal	40.58	40.63	40.31
Pork	37.69	37.07	36.94
Sheep and Goat	4.55	4.51	4.50
Poultry	22.04	22.36	22.97
Total 1/	104.86	104.57	104.72

1/ Selected Countries

WORLD cattle inventories are expected to continue to decrease in 1982 while beef production is expected to increase. This is a reversal of the forecast last September which indicated lower beef production and larger inventories. The changed expectations are due largely to developments in Mexico, Australia and Poland. In Mexico, the drought in large areas of the country has not been broken by the usual late summer and fall rains. This has resulted in a sharp rise in the slaughter of beef cattle, including young animals. There is also a smaller-than-expected feed grain crop and a lack of foreign exchange to import feed. In Australia, continued drought has resulted in larger slaughter than expected. Thus, a further decline in yearend inventories is projected. In Poland, heavy cattle and calf slaughter has resulted from feed shortages and low guaranteed prices for beef.

The projected world cattle inventory for 1983, and levels of beef and veal production, are as follows:

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	Beginning Cattle Inventory			Beef and Veal Production		
	1981 1/ ----Million Head-----	1982 1/ 1983 2/ -----	1983 2/ -----	1981 1/ --Million Metric Tons	1982 1/ 1983 2/ -----	1983 2/ -----
Canada	12.5	12.5	12.5	1.02	1.04	1.05
Mexico	34.2	32.3	28.5	1.13	1.25	1.00
United States	114.3	115.7	115.2	10.35	10.42	10.35
EC-10	78.3	78.0	78.7	6.92	6.65	6.77
East Europe	37.7	37.9	37.4	2.37	2.47	2.35
Soviet Union	115.1	115.8	116.0	6.60	6.60	6.70
Argentina	58.8	57.8	58.2	2.96	2.60	2.64
Uruguay	11.0	10.9	10.5	0.41	0.40	0.36
Australia	25.2	24.5	23.0	1.42	1.62	1.38
New Zealand	8.1	8.0	8.0	0.50	0.52	0.50
World Total 3/	945.7	945.4	942.9	40.58	40.63	40.31

1/ Preliminary. 2/ November 1982 estimate. 3/ Forty-eight selected countries.

WORLD hog inventories will be somewhat smaller next January 1 than at the start of this year and 1983 production is also expected to decline. Feed shortages are expected to cause Poland's pork production to increase slightly in 1982 and fall in 1983. Short feed supplies in Mexico will cause further problems next year unless feed grain imports are sharply increased early in the year. Soviet hog numbers are currently larger than a year ago, and with some improvement in the feed situation, Soviet pork production is expected to increase next year.

Hog inventories and global pork production in 1983 are projected as follows:

	Beginning Hog Inventory			Pork Production		
	1981 1/ -----Million Head-----	1982 1/ 1983 2/ -----	1983 2/ -----	1981 1/ --Million Metric Tons--	1982 1/ 1983 2/ -----	1983 2/ -----
United States	64.5	58.7	52.5	7.20	6.41	6.20
Canada	9.6	9.3	9.0	0.87	0.84	0.83
Mexico	15.4	16.5	16.0	1.09	1.20	1.13
EC-10	78.1	78.4	78.1	9.46	9.49	9.61
East Europe	71.0	72.3	69.2	6.67	6.68	6.48
Japan	10.1	10.0	10.1	1.40	1.44	1.47
Soviet Union	73.4	73.2	73.9	5.20	5.10	5.20
World Total 3/	424.9	421.0	412.1	37.69	37.07	36.94

1/ Preliminary. 2/ November 1982 estimate. 3/ Forty-eight selected countries.

WORLD sheep inventory growth has been slow this year because of drought in Australia and feed shortages in the major producing regions of the USSR. Sheep and goat meat production in 1983 is projected at 4.5 million tons, about the same as this year. The major revisions from the September report on sheep are due to projected reductions in Australia's sheep inventories because of the drought and a drop in Soviet meat production as flock sizes are reduced.

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WORLD production of poultry meat currently is forecast to approximate 22.4 million tons in 1982, up 0.3 million tons from 1981, and to reach 23.0 million tons in 1983. These rather modest increases compare with a 1.1-million ton increase in 1981. However, the slowing of import demand, particularly in the oil-producing countries of the Middle East, has dampened expansion plans in exporting countries such as Brazil and France. Slow growth in domestic demand is also hurting production in many countries, including the United States.

With soft export demand, Brazil's broiler production will likely increase only 100,000 tons in 1982 and 50,000 tons in 1983. Increases of 150,000-200,000 tons have been common in recent years.

In the European Community (EC), the rapid expansion of France's broiler production is showing some signs of slowing. Until now, subsidized exports to non-EC countries have offered sufficient incentive to French producers. Output in the Netherlands, an EC exporter that depends heavily on intra-EC exports, is forecast to decline during both 1982 and 1983. Turkey production is expected to increase, and total EC poultry meat production may be up 3 percent to 4.3 million tons in 1982. Only a 1-percent increase is forecast for 1983.

In Spain a production decline is forecast during 1982, as broiler producers attempt to get a better balance between demand and supply.

Poultry meat production in the USSR continues to expand at rates comparable to recent years despite the fourth consecutive short grain crop. Cumulative production for January-October on state and collective farms, the major source of production, was 8 percent ahead of 1981.

In Japan, 1982 poultry meat production is up 6 percent following the decline in 1981 which set the stage for higher broiler prices. Lower feed prices have added further stimulus.

Poultry meat, broiler and egg production is projected as follows in 1983:

Total Poultry Meat Production 1/

	1981	1982 2/	1983 3/
	Million metric tons		
United States	6.99	7.03	7.18
EC	4.15	4.33	4.38
France	1.24	1.35	1.39
USSR	2.30	2.50	2.65
Brazil	1.49	1.59	1.65
Japan	1.13	1.21	1.23
Spain	0.89	0.85	0.85
World Total 3/	22.04	22.36	22.97

1/ Forty selected countries. 2/ Preliminary.

3/ September 1982 forecast.

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	Broiler Production 1/			Egg Production 2/		
	1981 --Million	1982 3/ Metric	1983 4/ Tons--	1981 -----Billion	1982 3/ Pieces-----	1983 4/
United States	5.44	5.51	5.63	69.6	69.2	69.0
EC	2.86	2.98	3.00	71.1	72.1	71.5
France	0.78	0.85	0.89	15.2	15.6	15.6
USSR	0.65	0.70	0.76	70.9	72.3	74.4
Brazil	1.40	1.50	1.55	10.2	10.2	10.3
Japan	1.00	1.08	1.10	33.2	35.2	35.5
Spain	0.80	0.74	0.76	11.8	11.9	12.2
World total	15.16	15.30	15.70	351.6	356.5	360.0

1/ Thirty-five selected countries. 2/ Forty selected countries.
3/ Preliminary. 4/ September 1982 forecast.

Despite reported low prices in many countries, WORLD egg production is forecast at 356.5 billion pieces in 1982, an increase of about 5 billion above 1981. That increase is comparable to those of recent years. Nearly all of the global increase is due to expansion in Japan following last year's decline, expansion in the EC to meet export demand and gains in the USSR to meet planned targets.

COTTON AND FIBERS

SPAIN reports flooding along the Llobregat River has caused \$30 million worth of damage to area cotton mills. Buildings, capital equipment, fibers, yarns and fabric were reported damaged.

TOBACCO

In the PHILIPPINES, unmanufactured tobacco imports in 1982 are forecast to decline by 21 percent to 11,830 tons from the 1981 level of 14,915 tons. The decrease is the result of a decision by cigarette manufacturers to draw down stocks due to high carrying and acquisition costs, particularly for U.S. leaf tobacco. Flue-cured imports in 1982 are expected to decline to 10,500 tons from the 1981 level of 13,165 tons.

The reduced imports have not affected U.S. total exports to the Philippines. During January-September 1982, U.S. exports totaled 5,010 tons valued at \$36.1 million, up 10 percent in quantity from the 1981 level of 4,556 tons. The increase is mainly the result of a 73-percent increase in burley exports to 2,399 tons. U.S. flue-cured exports dropped 13 percent to 2,288 tons.

Philippine exports in 1982 of unmanufactured tobacco are expected to total 29,460 tons, about the same as the 1981 level of 29,438 tons. Flue-cured exports are forecast at 14,600 tons, up 26 percent from the 1981 because of a larger crop. The increase in flue-cured exports was partly offset by the continuing downward trend in the exports of native dark tobacco.

SPAIN's 1982 unmanufactured tobacco imports are estimated at 67,000 tons, down 6 percent from 1981. Of this total, leaf imports from the United States are projected to total between 23,000 to 25,000 tons compared with 20,995 tons in 1981.

Although manufacturers' use of tobacco in 1982 is projected at 90,000 tons, about the same as in 1981, cigarette consumption in the first half of 1982 increased by 6.5 percent. Consumption of American-blend cigarettes rose 24 percent, while that of dark cigarettes dropped 1.4 percent. This trend is expected to continue through the remainder of 1982. Retail prices of tobacco products are expected to increase by 15 to 20 percent this year.

WORLD unmanufactured tobacco production is estimated at 6.57 million tons (farm sales weight basis) in 1982, nearly 11 percent above last year's harvest. Flue-cured output is up 15 percent because of larger crops in major producing countries, including China, India, Brazil, Zimbabwe and Argentina. The burley crop rose 12 percent due to larger crops in the United States, Brazil, Republic of Korea, Argentina and Malawi. Light air-cured and oriental tobacco output is estimated to be up 14 and 7 percent, respectively, while dark air-cured production is up marginally. Cigar and fire-cured crops declined in 1982.

World production of unmanufactured tobacco, by type, is as follows in 1,000 tons, farm sales weight:

Type of tobacco	1980	1981	1982
Flue-cured	2,411	2,951	3,409
Burley	570	639	719
Oriental	879	847	911
Other light air-cured	236	287	327
Dark air and sun-cured	927	976	981
Dark air cured, cigar	149	182	172
Dark fire-cured	49	52	51
Total	5,221	5,934	6,570

For further details contact FAS Foreign Production Estimates Division. Tel: (202) 382-8888.

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Selected International Prices

Item	:	November 23, 1982	:	Change from	:	A year
	:		:	previous week	:	ago
		\$ per MT	\$ per bu.	\$ per MT		\$ per MT
ROTTERDAM PRICES 1/						
Wheat:						
Canadian No. 1 CWRs-13.5%.		N.Q.	--	--		N.Q.
U.S. No. 2 DNS/NS: 14%....	178.00		4.84	-1.00		206.00
U.S. No. 2 DHW/HW: 13.5%..	N.Q.		--	--		212.00
U.S. No. 2 S.R.W.....	159.00		4.33	+2.00		183.00
U.S. No. 3 H.A.D.....	179.00		4.87	+2.00		2.04
Canadian No. 1 A: Durum...	194.00		5.28	-2.00		N.Q.
Feed grains:						
U.S. No. 3 Yellow Corn....	117.50		2.98	+2.50		126.75
U.S. No. 2 Sorghum 2/.....	N.Q.		--	--		134.00
Feed Barley 3/.....	N.Q.		--	--		152.00
Soybeans and meal:						
U.S. No. 2 Yellow.....	234.20		6.37	+5.60		257.00
Brazil 47/48% SoyaPellets 4/	225.00		--	+2.00		N.Q.
U.S. 44% Soybean Meal.....	218.50		--	+8.50		230.00
U.S. FARM PRICES 5/						
Wheat.....	129.34		3.52	+1.10		136.69
Barley.....	66.14		1.44	+.92		89.10
Corn.....	91.73		2.33	+1.97		92.91
Sorghum.....	92.37		4.19 6/	+3.75		86.42
Broilers 7/.....	865.30		--	-37.03		928.14
EC IMPORT LEVIES						
Wheat 8/.....	91.08		2.48	+1.75		75.60
Barley.....	102.72		2.24	+1.27		80.25
Corn.....	92.66		2.35	+.14		105.90
Sorghum.....	87.73		2.23	+1.93		94.95
Broilers 9/.....	292.00		--	+4.00 10/		253.00
EC INTERVENTION PRICES 11/						
Common wheat(feed quality)	173.38		4.72	+2.13		190.74
Bread wheat.....	191.25		5.20	+2.37		220.84
Barley and all						
other feed grains.....	173.38		--	+2.15		190.74
Broilers 12/.....	1064.00		--	--		--
EC EXPORT RESTITUTIONS (subsidies)						
Wheat.....	64.10		1.74	-.98		59.13
Wheat flour.....	93.76		--	0		71.82
Barley.....	70.03		1.52	-.78		56.94
Broilers 9/.....	188.00		--	+2.00 10/		148.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Change in dollar value of broiler levy or restitution generally reflects currency fluctuations and not change in level set by EC. 11/ Basically the intervention price is the EC farm price support, determined annually. 12/ F.o.b. price for whole broilers at West German border. N.Q.=Not quoted.

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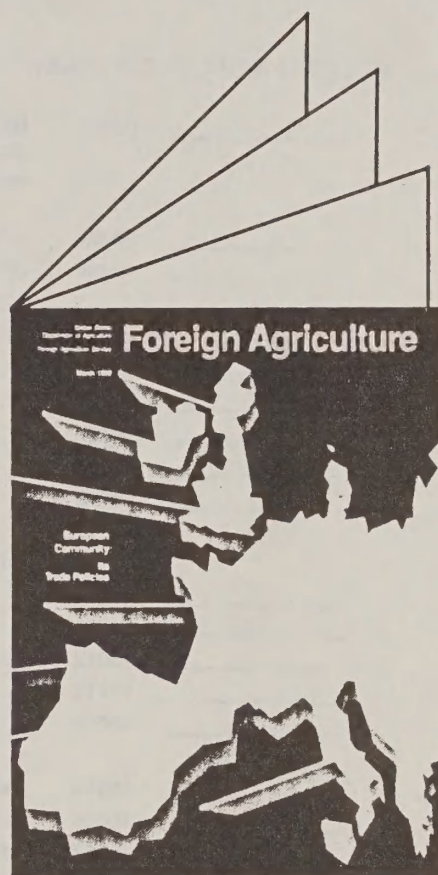
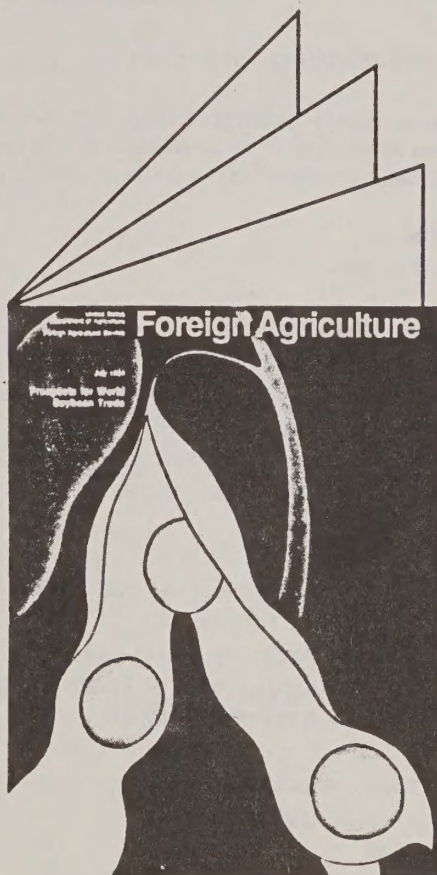
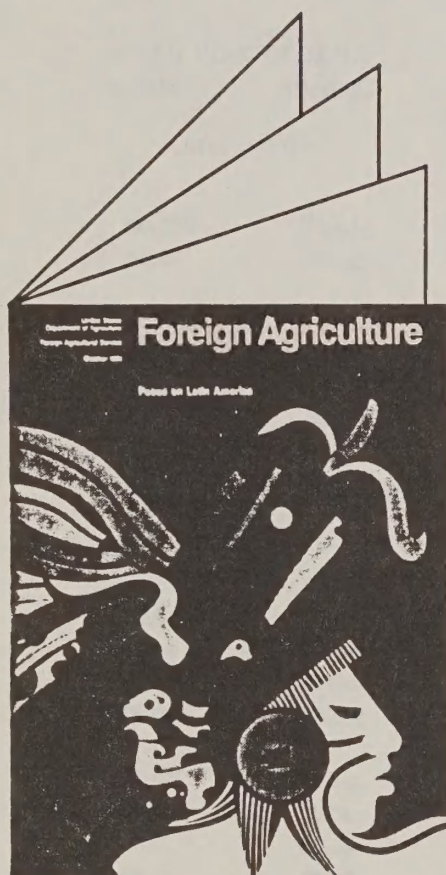
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